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APPLUS SERVICES, S.A.

Independent Expert's Report on the capital increase of Applus Services, S.A. excluding the pre-emptive subscription rights under the provisions of sections 308 and 506 of the Spanish Companies Act (LSC)

27th September 2017

INDEPENDENT EXPERT'S REPORT ON THE CAPITAL INCREASE OF APPLUS SERVICES, S.A. EXCLUDING THE PRE-EMPTIVE SUBSCRIPTION RIGHTS UNDER THE PROVISIONS OF SECTIONS 308 AND 506 OF THE SPANISH COMPANIES ACT (LSC)

To the Shareholders of **Applus Services, S.A.**

For the purposes of sections 308 and 506 of the Spanish Companies Act (hereinafter "LSC"), and in accordance with the request received by APPLUS SERVICES, S.A. (hereinafter " Applus" or the "Company"), by designation of the Commercial Registrar of Barcelona, Mr. José Luis San Román Ferreiro, we hereby issue this independent expert's report on the capital increase with cash contributions, through the issuance and flotation of a maximum of 13,001,675 ordinary shares excluding the pre-emptive subscription rights, attached herein as Appendix the Applus' Board of Directors' report (hereinafter the "Directors' Report"), and which will be made available to shareholders and announced at the Annual General Shareholders' Meeting held following the capital increase approval.

The Annual General Shareholders' Meeting of the Company agreed on 21st June 2017, in compliance with the provisions of section 297.1. (b) of the LSC, to authorize the Board of Directors, at one or several moments and at any time within a period of five years from the date of the mentioned Meeting, to increase the share capital through cash contributions and with the possibility of excluding the pre-emptive subscription rights, by up to a maximum of 10% of its share capital figure at the time of the authorization in case of exclusion.

In virtue of this delegation, the Board of Directors of Applus has prepared the attached Directors' Report, which justifies in detail the proposal and procedure for determining the issue price per share, the persons to whom the shares will be attributed, as well as the nature of the contributions. As required by prevailing legislation, the shares have to be issued at fair value. In the case of listed companies, according to the provisions of section 504 of the LSC, the fair value shall be understood as the market value and this shall be presumed, unless otherwise justified, in reference to the trading price of the shares in the stock exchange. It should be noted that in an equity valuation, only approximations or estimative judgements regarding fair value can be considered, which may highly depend on subjective assessments on a wide variety of aspects of the business and the entity.

The capital increase will be implemented by means of an A*ccelerated Bookbuilding* of Applus new shares among Spanish and foreign qualified investors, foreseeing the possibility of incomplete subscription. The ordinary shares will be issued with a nominal value of €0.10 each plus the issue premium resulting from the private placement of such new shares to be carried out by a group of entities headed by Barclays Bank Plc and Morgan Stanley & Co. International Plc as global coordinators (jointly, the "Placement Entities") mandated by the Company for these purposes, as indicated in the Directors' Report. The shares shall be of the same class and series as those currently in circulation and shall be represented by book entries.

The Board of Directors considers that in this context the most appropriate procedure is the implementation of the issuance of the new shares by means of an A*ccelerated Bookbuilding* among Spanish and foreign qualified investors carried out by the Placement Entities, since said process will allow raising the expected volume of resources during a short period of time, substantially reducing the time of exposure to risks associated to the volatility of the markets. This procedure includes a process of bookbuilding, the subsequent selection and confirmation of the proposals of acquisition received and the payment of the shares, which shall be carried out in an accelerated manner and pursuant the standard practices in this type of transactions.

The Board of Directors understands that, in accordance with national and international financial practice, the price that investors are willing to pay for the shares of the Company will have been set transparently with both parties well informed and will reflect the fair value of the Company's shares, since by means of the abovementioned bookbuilding process the intensity of the demand is assessed in the most qualified segment of investors (which are capable of rapidly analysing the offer and determine the amount and price they would be willing to pay for the shares).Therefore, it understands that this price suitably and faithfully represents what the market is willing to pay for the Company's shares.

Consequently, the Board of Directors of the Company has foreseen that the price of issuance of the new shares by means of the capital increase to which this report refers corresponds to the price resulting from the Accelerated Placement. However, the Board of Directors proposes setting a Minimum Issue Price as an additional precautionary measure to ensure that the price of the shares significantly represents the fair value required by Law. In particular, the Minimum Issue Price of the new shares shall be 10.00 euros per share, of which 0.10 euros correspond to the nominal value and 9.90 euros to the issue premium.

This figure results from applying a discount of 9.09% on the closing quotation price of the Applus shares in the Automated Quotation System of the Spanish Stock Exchange (Mercado Continuo) on the trading day immediately prior to the date of the Directors' Report, rounded up until obtaining a whole number of euro cents.

The setting of the abovementioned discount is justified by the Board of Directors of the Company on the basis that "from the perspective of the economic theory of offer and demand that regulates the operation of stock markets, the price of a share - its trading value - is determined by matching offer and demand and represents the value at which market participants are willing to buy and sell an non-significant amount of a company's shares, and thus, the placement of a significant block of shares (as the one that is foreseen in the Share Capital Increase object of this report) entails that the offer of shares in the market is much larger than the one before, thus causing a displacement in the offer curve that determines the tendency to reduce the price of the share. This, in turn, means that in order to allocate all the offered shares, the price (issue price) that has to be set must necessarily be less than the value at which the shares were trading before the offer". In this regard, the Board of Directors has relied on publicly available information regarding the discount rates applied in *Accelerated Bookbuilding* operations similar to the one proposed (by tape of placement and percentage over the share capital) carried out in Spain and in the international markets.

Our responsibility is to issue a professional opinion, as independent experts, on the fair value of the Company's shares, the theoretical value of the pre-emptive subscription rights to be excluded and the reasonableness of the data contained in the Directors' Report. Our work has been carried out in accordance with the Technical Standard on the preparation of the Special Report on the exclusion of pre-emptive subscription rights approved by the resolution of the Instituto de Contabilidad y Auditoría de Cuentas of 16th June 2004 (hereinafter, the "Technical Standard").

The accounting information used to carry out our work has been obtained from the consolidated annual statements of Applus for the year ended 31st December 2016, which were audited by Deloitte, S.L., which on 24th February 2017, issued an audit report on the aforementioned annual consolidated financial statements in which they expressed an unqualified opinion, and on the summarized consolidated interim financial statements for the six-month period ended 30th June 2017, which were reviewed by Deloitte, S.L.

In accordance with the aforementioned technical standard regarding the preparation of this special report, our work has consisted of performance of the following procedures:

a. Obtaining the aforementioned audit report in relation to the consolidated annual statements of Applus for the year ended 31st December 2016 and the limited review report corresponding to the interim financial statements as of 30th June 2017.

b. Obtaining information from the auditor of the Company's statutory accounts, in the case of it may be, regarding subsequent events with respect to the financial situation of the Company that it would have known after the issuance of its last report that has been provided.

c. Formulating questions to the Directors of the Company on events of significance that could significantly affect the value of Applus and, in case of it, verification of such information.

d. Reading the Minutes of the Shareholders' and Board of Directors Meetings of year 2016 and to date.

e. Analysis of the evolution of the Company's share price and determination of the average share price during the last representative trading period prior to the date of issuance of this expert report, between the 27th June 2017 and the 26th September 2017, inclusively, and determination of the closing share price as of 26th September 2017, corresponding to the last available quoted price prior to the date of issuance of this expert report, as indicators of the fair value of the Company.

f. Determining the underlying net book value resulting from the latest audited consolidated annual statements of Applus for the year ended 31st December 2016 and the interim financial statements as at 30th June 2017, and a verification that the issue price proposed by the Directors is higher than this underlying net book value.

g. Verification of whether the issue price proposed by the Directors corresponds to the fair value of the Company's shares resulting from the information obtained in the previous points.

h. Assessment of the reasonableness of the information contained in the Directors' Report to justify the proposed capital increase excluding the pre-emptive subscription right, including a review of the supporting documentation.

i. Determining the theoretical value of the pre-emptive subscription rights to be excluded, calculated by reference to both the quoted price and the underlying book value per share of Applus.

j. Obtaining a letter signed by the Directors of the Company, confirming that we have been provided with all the information necessary for the preparation of our report, and that there have not been subsequent events since the date of the last audit report and since the financial statements as of 30th June 2017 until the date of this report, which have not been reported to us and which could have a significant effect on the results of our work.

In accordance with all the above mentioned, in our professional opinion, as independent experts:

- The data contained in the Directors' Report to justify the proposed capital increase excluding the pre-emptive subscription rights are reasonable as they are adequately documented and exposed.
- The Minimum Issue Price of 10.00 euros per share proposed by the Directors pursuant to the delegation of the Annual General Shareholders' Meeting of the Company dated 21st June 2017, and that corresponds from applying a discount of 9,09% on the closing quotation price of the Applus shares in the Automated Quotation System of the Spanish Stock Exchange (Mercado Continuo) on 26th September 2017, rounded up until obtaining a whole number of euro cents, is within the range of the values that can be considered as indicative of the fair value of the Company's share.

We also present below the theoretical value of the pre-emptive subscription rights whose exercise is proposed to be eliminated with respect to the Minimum Issue Price proposed by the Directors, resulting, respectively, from the Company's quotation price as of 26th September 2017 and for the quarterly period comprised between 27th June 2017 and 26th September 2017.

The dilution per outstanding share (excluding the Company's own shares that have been reported to us), expressed in euros per share, would be as follows:

	Dilution effect (€/Share)
On quotation prices	
Quotation price on 26th September 2017	0.09
Last quarter average quotation price	0.08

Finally, based on the audited consolidated annual statements of Applus for the year ended 31st December 2016, there is no dilution with respect to the underlying book value per share.

By means of this expert report, the provisions of sections 308 and 506 of the LSC are duly complied with regard to the auditor report. This report should not be used for any other purpose.

BDO Auditores, S.L.P.

Oriol Tapias
Partner
Barcelona, 27th September 2017

ANNEX

REPORT ISSUED BY THE BOARD OF DIRECTORS OF APPLUS SERVICES, S.A. IN RELATION TO THE RESOLUTION TO INCREASE THE SHARE CAPITAL, EXCLUDING THE PRE-EMPTIVE SUBSCRIPTION RIGHT, PROPOSED TO BE APPROVED UNDER THE AUTHORIZATION GRANTED BY THE ANNUAL GENERAL SHAREHOLDERS' MEETING DATED 21st JUNE 2017

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